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MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 23rd November, 1950

Subject:—Income-tax Verification Certificate Registration of—Scheme for the purpose of Import/Export Licensing.

No. 146-ITC(P.N.)/59.—The following decisions taken by the Government of India in connection with the production of Income tax Verification Certificates and allotment of Registration numbers and the procedure to be adopted for applying for specific exemption from the production of such certificates are hereby published for general information. The instructions contained herein will be followed without reference to any particular licensing period until further notice.

I. General:

2. Income tax Verification Registration numbers will be allotted by the:—
 - (i) Chief Controller of Imports.
 - (ii) Deputy Chief Controller of Imports and Exports Bombay/Calcutta/Madras.
 - (iii) Export Trade Controller, Amritsar.

Exemption numbers will be allotted by the C. C. Imports, as heretofore.

II. Allotment of Registration Numbers:

3. For individuals or concerns desirous of obtaining new registration numbers, applications in the revised form appended to this Notice duly filled in should be presented to the proper Income tax authority (specified below) who will then verify the particulars from their record, subscribe the necessary verification certificates on all the copies required and return them so as to enable the applicant to forward the same to one of the Officers referred to in the preceding paragraph. It is not necessary to obtain a separate number from each licensing authority, as for instance, a registration number allotted by the Chief Controller of Imports will be held valid by the Deputy Chief Controller of Imports Bombay and vice versa.

4. The proper Income tax authorities for the purpose of this Public Notice will be:—

- (i) Income-tax Officers of the Circle, Ward or District where the applicant is assessed or assessable to Income tax.
- (ii) In the case of applicants from Bombay or Calcutta the Income tax Verification Certificate may also be sent to the Head Quarters Assistant Commissioner of Income tax; from Madras and Delhi to the inspecting Assistant Commissioner of Income tax, respectively.

5. Instructions have already been issued by the Government of India to the Income tax Officers that the Income tax Verification Certificates should be issued

as specifically valid for a period of one year from the date of issue. It has been decided that the Registration number allotted against a complete Income tax Verification Certificate will be valid for the half yearly licensing period in which the certificate is issued and for the next two half yearly licensing period. For instance, on an Income tax Officer's certificate issued during March 1951 a registration number allotted would be valid for the January-June 1951 period as well as for the next two periods ending June 1952. For this purpose a distinctive mark on the Registration number issued shows the month and year when its validity expires. The series of Registration number thus issued will be as follows—

(i) CCI-IVC/1000/June/1952

DCCI & E/BOM/IVC/-/June- 19523 etc. in the case of certificates issued by the Income-tax Officer between January 1st and June 30th, 1951.

(ii) CCI-IVC/1000/DEC./1952

D.C.C.I & E/BOM/IVC/-/-/DEC /1952 etc

In the case of certificates issued by the Income tax officers between July 1951 and December 31st 1951 and so on

6. As a consequence of the decision announced in the previous paragraph which implies that registration number will in future be valid for one six monthly period more than has hitherto been the case, it has been decided that all Registration and Exemption numbers bearing the dates "DEC. 1950" or "June 1951" shall be valid up to 30th June 1951 and 31st December 1951 respectively. Licensing authorities are being informed accordingly and it will not be necessary for holders of such numbers to make any separate application for extension of the numbers in question.

Government however, reserve the right to refuse to accept numbers bearing the date "June 1951" in connection with any newcomer applications which may be called for in July-December 1951, and may require holders of such number to procure fresh numbers in that behalf.

7. Even though Income tax Officers appointed by the Government of India began to operate in (1) Hyderabad (2) Mysore (3) Travancore and Cochin (4) Saurashtra and (5) Patiala and East Punjab States Union, only with effect from 1st April 1950, there was already an Income-tax procedure which was being followed by tax payers residents in these states. For the purpose of allotment of Registration numbers to concerns and individuals belonging to these states a proper Income tax Verification Certificate should be produced duly certified by the Incometax Officer of the area concerned indicating the taxes paid during any one of the five previous years, to the State Government concerned. In such cases where taxes have been paid and duly certified, an Income tax Registration number will be allotted by any one of the authorities referred to in Para. 2 above.

8. The letters allotting the Registration numbers will clearly specify the period of validity thereof before the expiry of which the applicant will have to procure and lodge fresh Income tax Verification Certificates with one of the licensing authorities specified above.

III. General provisions regarding allotment of exemption Nos

9. The following classes of applicants will be specifically exempt from the necessity of producing the Income tax Verification Certificates:—

- (a) Such Government or Semi Government institutions as are not liable to Income tax.
- (b) Individuals or concerns who have not paid Income tax during any of the previous five years and claiming to be exempt from Income tax.
- (c) Types of persons who are not liable to Income tax under Section 4(8) c^t the Indian Income tax Act.
- (d) Residents in Madhyabharat, Rajasthan and Vindhya Pradesh, who have had no income outside the particular state unit liable to Indian Income tax.
- (e) New concerns claiming exemption numbers
- (f) Residents in Jammu and Kashmir and Chandernagore who have no assessable income in the Indian Union Outside the state.

10. Those falling under clause (a) in the preceding paragraph need not apply for Exemption numbers, and may submit applications for licences without quoting either Registration or Exemption number. Applicants falling under clauses (b), (c), (d) and (e) of the previous paragraph who claim exemption from the production of Income tax Verification Certificate will have to approach the Chief Controller of Imports for Exemption number through the Incometax Officer of

the area concerned and have to submit their request in the revised form Annexure I, along with any other necessary documents herein after prescribed (e.g. Affidavit's Copy of Refugee Registration Card or Camp Commandant's Certificate).

11. In the case of those falling under clauses (b) and (c) of paragraph 9 above, they will be required to declare on a stamped affidavit in the form Annexure II before a magistrate or an oath commissioner the fact that they have paid no income-tax during the last five years quoting the reason therefor, or that they are exempt under Section 4(3) of the Indian Income tax Act, as the case may be; and present such affidavits with a copy thereof along with their request in the revised form to the Income tax Officer of the area concerned. The Income tax Officer will return to the deponent himself the original affidavit and the revised form with his endorsement as to the correctness or otherwise of the facts stated in the affidavit. The deponent will thereupon present the affidavit and the revised form with the Income tax Officer's endorsement thereon to the Chief Controller of Imports for necessary action. The period of validity of exemption numbers granted will be calculated on the same principles as are laid down in respect of Income tax Registration number in para. 6 above.

12. As regards residents in the integrated states of (1) Madhya Bharat; (2) Rajasthan and (3) Vindhya Pradesh [vide paragraph 9(d) above] as Income tax has been levied there for the first time with effect from 1st April 1950 and the Income tax Officer belonging to Indian Union are at present functioning in these states from the same dates, applicants who are resident in those areas should forward their applications for exemption numbers in the revised form accompanied by an affidavit on a stamp paper declaring that they had no income outside the particular state unit liable to Indian Income Tax. This statement should however, first be presented to the Income tax Officer who will countersign it after entering the names and addresses of such applicants in his registers for future reference.

13. As regards those falling under clause (e) of paragraph 9 above their applications for exemption numbers should be accompanied by the following documents:—

(i) **Private Limited Companies.**

Income tax Verification Certificates/Affidavits of all the shareholders holding more than 10 per cent. (ten per cent.) of the ordinary share capital, or Rs. 10,000 whichever is less, about their income from all sources for the last five years.

(ii) **Public Limited Companies.**

Incorporation Certificate and Certificate to approve that this is a Public Limited Company.

(iii) **Partnership Firms.**

Income tax Verification Certificates or Affidavits of all partners about their income from all sources for the last five years.

(iv) **Proprietary Concerns**

Income Tax Verification Certificates or Affidavit of the proprietor about his income from all sources for last five years.

14. In the case of all those falling under clauses (b), (c), (d) and (e) of paragraph 9 above, The Chief Controller of Imports will on the production of the revised form (Annexure I) and affidavits (Annexure II) duly completed, allot an exemption number for three licensing periods i.e. the period in which the certificate has been issued and two subsequent periods and in accordance with the existing principles for allotment of Income Tax Registration Numbers [vide para. 6 above].

15. As regards those falling under clause (f) in paragraph 9 above, the Chief Controller of Imports will automatically grant fresh exemption numbers valid for the periods January-June 1951 and July-December 1951 to those who are already in possession of such exemption number. No application need therefore be submitted in such cases. Those resident in Jammu and Kashmir and Chandernagore who have not already been allotted exemption numbers and now wish to claim them for the first time, should write direct to the Chief Controller of Imports in that behalf, stating that they have no assessable income in the Indian Union outside those areas. It is not necessary to forward such claim through an Income tax Officers, to record it in the revised form or to enclose any affidavit.

IV. Displaced Persons.

16. Displaced persons or firms who have settled in India should ordinarily approach the Chief Controller of Imports or the licensing authorities through the Income tax Officer of the area concerned for an Exemption or a Registration

Number in the usual way—The procedure however, will be varied in the manner indicated in the following paragraph in the case of those who entered India not more than one year before their application is received by the Income tax Officer.

17. It has been decided that displaced persons who have come to India from Pakistan within last one year should be exempted by the Income tax Officer from the production of usual affidavits on stamp paper required by other applicants for exemption numbers. The Income tax Officer will instead call for the Refugee Registration Card or the Camp Commandant's Certificate from the applicant and if the date of entry into India has found within one year from the date of which the Income tax Registration form was received by him, the Income tax Officer will dispense with the production of affidavit, and after entering the name and address of such applicant in his register will issue a certificate in the usual form incorporating these facts. On presentation of such a completed document the Chief Controller of Imports will allot an exemption number in the usual manner.

18. Applications for Export licences for Export to Hard Currency areas will be taken into consideration and sanctioned if otherwise eligible irrespective of whether the applicant has lodged his Income tax Verification Certificate or not.

19. On the Import side the production of Income tax Registration Numbers will not be insisted upon the following cases.

- (i) for Import of personal belongings of small values.
- (ii) Unsolicited gifts of small values where no exchange remittance is involved, and
- (iii) goods required for actual use in education or charitable institutions which are exempted from payment of Income tax.

R. J. PRINGLE, Joint Secy.

ANNEXURE I**FORM OF CERTIFICATE OF INCOME TAX ASSESSMENT TO BE PRODUCED
BY AN APPLICANT FOR IMPORT AND EXPORT LICENCE.**

1. Name and business address of the applicant:—
2. Year in which the business was established:—
3. Name and address in which the applicant is assessed to Income tax:—
4. Whether the applicant is assessed to income tax as:—
 - (i) Individual
 - (ii) Hindu Undivided family
 - (iii) Company
 - (iv) Firm, or
 - (v) Association of persons.
5. The Income-tax Circle/Ward/District in which the applicant is assessed to Income tax:—
6. "Line or Lines" in which the applicant is doing business (by major heads):—
7. Reference No. (or G.I.R. No.) of the assessment:—
8. (a) Where maximum Income tax paid during any one of the past five years was:—
 - (a) Upto Rs. 100
 - (b) From Rs. 101 to Rs. 249
 - (c) From Rs. 250 to Rs. 499
 - (d) From Rs. 500 to Rs. 999
 - (e) From Rs. 1000 to Rs. 4999
 - (f) From Rs. 5000 to Rs. 9999
 - (g) From Rs. 10,000 and above.
- NOTE:—The above entries may be completed also in the cases of firms registered under Income Tax Act with reference to the tax payable by the firm if assessed as an unregistered firm.
- (b) In case no final assessment has been made it should be stated whether tax paid in advance (or payable) on the basis of return filed under Section 22(1) or (2) 23(b) 1&A(3) of the Income Tax Act was:—
 - (a) Upto Rs. 100
 - (b) From Rs. 101 to Rs. 249
 - (c) From Rs. 250 to Rs. 499
 - (d) From Rs. 500 to Rs. 999
 - (e) From Rs. 1000 to Rs. 4999
 - (f) From Rs. 5000 to Rs. 9999
 - (g) From Rs. 10,000 and above.
9. The name and address of branches of the applicant:—
10. (a) In case of a firm a list showing the names and addresses of the partners should be attached to the application.
- (b) In case of Private Limited Company a list showing the names and addresses of the shareholders holding 10 per cent. or more than the ordinary share capital of the company or Rs. 10,000 whichever is less should be enclosed.
11. I declare that the abovementioned information is correct and complete to the best of my information and belief.

Date:—

Signature of the applicant
or his authorised agent.....**(TO BE FILLED IN BY THE INCOME TAX OFFICER)**

@1. In my opinion, the applicant mentioned above has been doing everything possible to pay the tax demands promptly and regularly and to facilitate the completion of the pending or outstanding proceedings.

@ 23. This is a new case:—

The Partners.

The shareholders M/s.
are regular taxpayers and I have no objection to an Exception Number being allowed to this case (Firm/Limited Company) for a period of one year from this date The name and address of this case have been entered in our registers

@3. This is a new case:-

The partners

The shareholders M/s.
have filled the enclosed affidavit *@Refugee Card or/Camp Commandant's Certificate.

which have been examined and duly endorsed by me
The name and address of this case (firm Private Limited Company) have been entered in our registers.

Dated:-

Seal--

Signature of Income Tax Officer.
Circle/District/Ward

@ Delete the items not applicable

*** Applicable only to those displaced individuals or firms who have entered India within one year from the date of this application.**

ANNEXURE II

Affidavits necessary to be produced by classes of applicants falling under clauses (b) ,(c), (d) and (e) of paragraph 8 above should contain *inter alia* the following declaration signed by the proprietor/the partners of the firm and shareholders in the case of Private Limited Company applying for the allotment of Exemption numbers.

"I, proprietor/partners/shareholder of M/s..... hereby solemnly declare that I have no place of Income outside the State and that my income from all sources during the past five years has been below the taxable limit or my main source of income during the past five years has been from agriculture which is exempted from payment of Incometax under Section 4(3) of Indian Income Tax Act 1922—I have had no income from any other source liable to be taxed under the said Act."

Co-operative Societies registered under Act II of co-operative societies of 1912 should declare that their's is a non-profit making body exempted from the payment of Income Tax under F.D.(CR) Notification R.Dis. No. 291-IT/25 dated 25th August 1925 as amended from time to time.